

# **NATIONAL INFORMATION SERVICES AGENCY**

**Financial Statements**

**Year ended December 31, 2017**

NATIONAL INFORMATION SERVICES AGENCY

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NATIONAL INFORMATION SERVICES AGENCY

CORPORATE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

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**Directors**

Lucy Athanasius  
Roseline Houareau  
Claudette Albert  
Mary Anne Ernesta  
Joelle Perreau  
Conrad Lablache  
Barbara Kilindo

**CEO**

Gerard Govinden

**Secretary**

Thelma Florry Estico

**Registered Office**

P.O. Box 800  
Laurier Road  
Victoria, Seychelles

**Business**

Laurier Road  
Victoria, Seychelles

Bois De Rose Avenue  
Victoria, Seychelles

**Auditor**

Office Of the Auditor General

**Banker**

Seychelles International Mercantile Banking  
Corporation Limited

## NATIONAL INFORMATION SERVICES AGENCY

### DIRECTOR'S REPORT

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The Director's present their report together with the audited financial statements of the Agency for the year ended 31st December 2017.

#### **Principal Activity**

The principal activity of the Agency is compiling, publishing, printing, producing and distributing the Seychelles Nation Newspaper. It also comprises of printing other products.

<b>Results for the year</b>	<b>2017</b>
Profit before taxation	SCR 3,460,672
Taxation	(988,200)
<b>Profit for the year</b>	<b><u>2,472,472</u></b>

#### **Property, plant and equipment**

Additions to property, plant and equipment of SCR 2,412,596 during the year comprise mainly of the completion of warehouse, finishing equipment, furniture and computers for the year 2017.

The property, plant and equipment are stated at cost less accumulated depreciation.

The Directors are of the view that the carrying amount of property, plant and equipment does not materially differ from its fair value as at December 31, 2017.

#### **Dividends**

The Directors did not recommend any dividends for the financial year under review (2016: Nil)

NATIONAL INFORMATION SERVICES AGENCY  
DIRECTOR'S REPORT

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**Directors and director's interest in the Agency**

The Directors from the date of the last report and in this report are:

Mr Rene Morel (Chairman) –End December 2017

Deacon Louis Agathine (Vice-Chairman) – End December 2017

Mrs Barbara Kilindo

Ms Brenda Bastienne – End December 2017

Ms Nadine Jack – End December 2017

Ms. Lucy Athanasius – From December 2017

Ms. Roseline Hoaureau – From December 2017

Mrs. Mary Anne Ernesta – From December 2017

Ms. Claudette Albert – From December 2017

Ms. Joelle Perreau – From December 2017

Mr. Conrad Lablache – From December 2017

None of the Directors held an interest in the Agency during the financial year.

**Statement of Directors' responsibilities**

The Directors are responsible for the overall management of the affairs of the Agency including its operations and making investment decisions.

The Board is responsible for the preparation and fair representation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

The responsibility includes designing, implementing and maintaining internal control that is determined to be necessary to enable the preparation of financial statements that are free of material misstatements, whether due to fraud or error.

The Directors have the general responsibility of safeguarding the assets of the Agency.

The Directors consider they have met their responsibilities as set out by the Public Enterprise Monitoring Commission Act, 2013 and the National Information Services Agency Act, 2010.

# NATIONAL INFORMATION SERVICES AGENCY

## DIRECTOR'S REPORT

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### Auditors

The Auditor General of Seychelles is mandated to carry out the audit of the Agency as per section 14 (1) of the National Information Services Agency Act, 2010.

### Board Approval



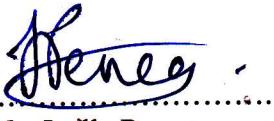
Ms. Lucy Athanasius  
Chairperson



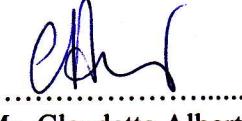
Ms. Roseline Houareau  
Vice-Chairperson



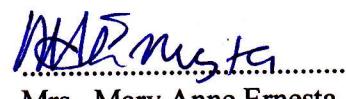
Mrs. Barbara Kilindo  
Director



Ms. Joëlle Perreau  
Director



Ms. Claudette Albert  
Director



Mrs. Mary Anne Ernesta  
Director



Mr. Conrad Lablache  
Director



## OFFICE OF THE AUDITOR GENERAL

P.O. Box 49 - Victoria,  
Mahe, Republic of Seychelles  
Telephone: (248) 4672500 Fax: (248) 4610365  
E-mail: auditgen@oag.sc Website: www.oag.sc

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**Please address all correspondence to the Auditor General**

### **OPINION OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE NATIONAL INFORMATION SERVICES AGENCY FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **Scope**

I have audited the financial statements of the National Information Services Agency for the year ended 31 December 2017 as set out on pages 7 to 22 in terms of Section 14 (1) of the National Information Services Agency Act, 2010.

#### **The Board of Directors Responsibility for the Financial Statements**

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standard for small and Medium-sized Entities (IFRS for SMEs) as issued by the International Accounting Standard Board (ISAB) and in compliance with the requirements of the National Information Services Agency Act, 2010 and the Public Enterprise Monitoring Commission Act, 2013. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate policies, and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility**

My responsibility is to express an opinion on those financial statements based on our audit and report it to the Board. The audit was conducted in accordance with International Standards of the Supreme Audit Institutions (ISSAIs). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the audit opinion.

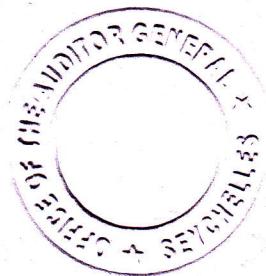
**Opinion**

In my opinion, the financial statements on pages 7 to 22 give a true and fair view of the financial position of the Agency at 31 December 2017, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (for Small and Medium-sized Entities) and comply with the National Information Services Agency Act, 2010.



Gamini Herath  
AUDITOR GENERAL

06 June 2018  
Victoria



NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2017

Notes	December 31, 2017		December 31, 2016	
	SCR	SCR	SCR	SCR
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	19,302,152	18,307,928	
Capital work in Progress		-	1,046,797	
Intangible assets	4	152,819	103,840	
Trade and other receivables	5	-	30,173	
		<b>19,454,971</b>	<b>19,488,738</b>	
<b>Current assets</b>				
Inventories		4,159,432	3,075,216	
Trade and other receivables	5	3,333,575	3,037,618	
Cash and cash equivalents	6	6,212,980	6,311,478	
		<b>13,705,987</b>	<b>12,424,312</b>	
<b>TOTAL ASSETS</b>		<b>33,160,958</b>	<b>31,913,050</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Retained earnings		<b>12,443,314</b>	<b>9,970,842</b>	
		<b>12,443,314</b>	<b>9,970,842</b>	
<b>Non-current liabilities</b>				
Borrowings	7	13,827,560	16,428,195	
Provision for employee benefit	8	864,347	978,076	
Deferred tax	10	1,166,616	592,639	
		<b>15,858,523</b>	<b>17,998,910</b>	
<b>Current liabilities</b>				
Trade and other payables		660,600	451,998	
Borrowings	7	2,420,034	1,824,517	
Current tax liability	10	416,704	502,062	
Deferred income	9	1,361,783	1,164,721	
		<b>4,859,121</b>	<b>3,943,298</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33,160,958</b>	<b>31,913,050</b>	



Chairperson: Ms. Lucy Athanasius  
Date: 28/5/18



Chief Executive Officer: Mr. Gerard Govinden  
Date: 25/5/2018

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2017

	Notes	2017 SCR	2016 SCR
Revenue	11	26,731,977	27,992,703
Operating costs	12	(21,693,334)	(22,087,233)
<b>Operating Profit</b>		<b>5,038,643</b>	<b>5,905,470</b>
Finance income	14.1	157,603	146,477
Finance costs	14.2	(1,735,574)	(2,110,534)
<b>Profit or Loss for the year before Taxation</b>		<b>3,460,672</b>	<b>3,941,413</b>
Taxation	10	(988,200)	(989,829)
<b>Profit or Loss for the year after Taxation</b>		<b>2,472,472</b>	<b>2,951,584</b>

The accompanying notes 1-17 form part of these financial statements



NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2017

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	Retained Earnings SCR	Total Equity SCR
Balance as at January 01, 2017	9,970,842	9,970,842
Comprehensive Income for the year 2017	2,472,472	2,472,472
Balance as at December 31, 2017	<u>12,443,314</u>	<u>12,443,314</u>
Re-stated balance as at January 01, 2016	7,019,258	7,019,258
Comprehensive Income for the year 2016	2,951,584	2,951,584
Balance as at December 31, 2016	<u>9,970,842</u>	<u>9,970,842</u>



NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF CASH FLOW AS AT DECEMBER 31, 2017

	2017	2016
	SCR	SCR
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	3,460,672	3,941,413
<i>Adjustments</i>		
Depreciation on property, plant and equipment	1,418,372	1,292,528
Amortisation of intangible assets	74,326	18,904
Interest payable	1,735,574	2,110,534
	<u>6,688,944</u>	<u>7,363,379</u>
<i>Movements in Working Capital</i>		
(Increase)/Decrease in trade and other receivables	(265,784)	(411,814)
(Increase)/Decrease in inventories	(1,084,216)	(1,067,959)
Increase/(Decrease) in accounts payable	208,602	(5,718)
Increase/(Decrease) in deferred income	197,062	(10,796)
Provision of employee benefit	(113,729)	352,991
	<u>(1,058,065)</u>	<u>(1,143,296)</u>
Tax refund/(Paid)	(499,581)	104,872
Interest on borrowing	(1,735,574)	(2,057,621)
	<u>(3,293,220)</u>	<u>(3,096,045)</u>
<b>Net cash flow from operating activities</b>	<b>3,395,724</b>	<b>4,267,334</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of tangible assets	(2,412,596)	(174,951)
Purchase of intangible assets	(123,305)	(103,840)
Capital work in progress	1,046,797	(1,046,797)
<b>Net cash flow from investing activities</b>	<b>(1,489,104)</b>	<b>(1,325,588)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of loan	(2,005,118)	(1,724,988)
<b>Net cash flow from financing activities</b>	<b>(2,005,118)</b>	<b>(1,724,988)</b>
<b>Net movement in cash and cash equivalents</b>	<b>(98,498)</b>	<b>1,216,758</b>
Cash and cash equivalents as at January 01	6,311,478	5,094,720
<b>Cash and Cash equivalents as at December 31</b>	<b><u>6,212,980</u></b>	<b><u>6,311,478</u></b>

## NATIONAL INFORMATION SERVICES AGENCY

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

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#### **1. GENERAL INFORMATION**

The National Information Services Agency was established in March 2010 under the National Information Services Agency Act, 2010. The Agency's main objective is to establish and operate facilities for the collection and distribution of information which includes compiling, publishing, printing, producing and distributing the Seychelles Nation newspaper.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all years, unless otherwise stated.

##### **2.1 Basis for preparation**

The financial statements of the National Information Services Agency have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) as issued by the International Accounting Standard Board (IASB) and in compliance with the National Information Services Act, 2010. The financial statements are prepared under the historical cost convention.

##### **2.2 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

##### **2.3 Trade receivables**

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Agency will not be able to collect all amounts due according to the original terms of the receivables.

##### **2.4 Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overhead. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

## NATIONAL INFORMATION SERVICES AGENCY

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

#### **2.5 Property, plant and equipment**

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Agency adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Agency. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is calculated on the straight line method to write off the cost of each asset to their residual values over their expected useful lives as follows:

Refurbishment of office	30 years
Printing equipment	20 years
Specialised equipment	7 years
Fixtures and fittings	5 years
IT and other equipment	5 years
Motor vehicles	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income

The agency does not hold title deed to the land upon which the building at Laurier Road stands but holds a lease agreement of 30 years for the land with Sunpress Printing Limited.

#### **2.6 Intangible assets**

Intangible assets comprise of computer and accounting software. Purchased intangible assets are shown at historical cost. Software has a finite useful life and is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight line method and allocated over the cost of the software over their estimated useful lives. Intangible assets are amortised over 2 ½ years.

## NATIONAL INFORMATION SERVICES AGENCY

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

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#### **2.7 Borrowings**

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs. Borrowings are classified as current liabilities unless the Agency has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### **2.8 Trade payables**

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **2.9 Provisions**

Provisions are recognised when the Agency has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the Income Statement.

#### **2.10 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Agency's activities. Revenue is shown net of value-added tax, returns, rebates and discounts. The Agency recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

#### **2.11 Current and deferred tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income. The current income tax charge is calculated on the basis of applicable tax rates and laws that have been enacted by the reporting date.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Agency's financial statements and on unused tax losses or tax credits. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date. The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

## NATIONAL INFORMATION SERVICES AGENCY

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

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#### **2.12 Going concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlements of liabilities and commitments will occur in the ordinary course of business.

#### **2.13 Events after the reporting date**

No events have occurred after the reporting period that are required to be disclosed in these financial statements.

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

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**3. PROPERTY, PLANT AND EQUIPMENT**

	Fixture and fittings	IT and other Equipment	Specialised equipment	Printing equipment	Refurbishment of office	Vehicles	Warehouse	Total
	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR
<b>Cost</b>								
At January 01, 2016	650,472	914,639	1,677,276	14,572,366	3,951,561	697,000	-	22,463,314
Additions	27,598	147,353	-	-	-	-	-	174,951
<b>At December 31, 2016</b>	<b>678,070</b>	<b>1,061,992</b>	<b>1,677,276</b>	<b>14,572,366</b>	<b>3,951,561</b>	<b>697,000</b>	<b>-</b>	<b>22,638,265</b>
<b>Accumulated Depreciation</b>								
At January 01, 2016	385,995	392,828	1,146,110	545,070	76,223	491,583	-	3,037,809
Charge for the year 2016	73,366	149,366	124,459	728,618	131,719	85,000	-	1,292,528
<b>At December 31, 2016</b>	<b>459,361</b>	<b>542,194</b>	<b>1,270,569</b>	<b>1,273,688</b>	<b>207,942</b>	<b>576,583</b>	<b>-</b>	<b>4,330,337</b>
<b>Net Book Value</b>								
<b>At December 31, 2016</b>	<b>218,709</b>	<b>519,798</b>	<b>406,707</b>	<b>13,298,678</b>	<b>3,743,619</b>	<b>120,417</b>	<b>-</b>	<b>18,307,928</b>
<b>Cost</b>								
At January 01, 2017	678,070	1,061,992	1,677,276	14,572,366	3,951,561	697,000	-	22,638,265
Additions	87,331	140,466	-	108,677	43,866	495,000	1,537,256	2,412,596
Written off	-	-	-	-	-	(272,000)	-	(272,000)
<b>At December 31, 2017</b>	<b>765,401</b>	<b>1,202,458</b>	<b>1,677,276</b>	<b>14,681,043</b>	<b>3,995,427</b>	<b>920,000</b>	<b>1,537,256</b>	<b>24,778,861</b>
<b>Accumulated Depreciation</b>								
At January 01, 2017	459,361	542,194	1,270,569	1,273,688	207,942	576,583	-	4,330,337
Charge for the year	80,953	158,515	113,255	730,882	132,815	159,250	42,702	1,418,372
On Asset written off	-	-	-	-	-	(272,000)	-	(272,000)
<b>At December 31, 2017</b>	<b>540,314</b>	<b>700,709</b>	<b>1,383,824</b>	<b>2,004,570</b>	<b>340,757</b>	<b>463,833</b>	<b>42,702</b>	<b>5,476,709</b>
<b>Net Book Value</b>								
<b>At December 31, 2017</b>	<b>225,087</b>	<b>501,749</b>	<b>293,452</b>	<b>12,676,473</b>	<b>3,654,670</b>	<b>456,167</b>	<b>1,494,554</b>	<b>19,302,152</b>

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

**4. INTANGIBLE ASSETS**

	<b>Accounting Software</b>
	<b>SCR</b>
<b><u>Cost</u></b>	
At January 01, 2016	63,013
Additions	103,840
<b>At December 31, 2016</b>	<b><u>166,853</u></b>
<b><u>Accumulated Amortisation</u></b>	
At January 01, 2016	44,109
Charge for the year 2016	18,904
<b>At December 31, 2016</b>	<b><u>63,013</u></b>
<b><u>Net Book Value</u></b>	
<b>At December 31, 2016</b>	<b><u>103,840</u></b>
<b><u>Cost</u></b>	
At January 01, 2017	166,853
Additions	123,305
<b>At December 31, 2017</b>	<b><u>290,158</u></b>
<b><u>Accumulated Amortisation</u></b>	
At January 01, 2017	63,013
Charge for the year 2017	74,326
<b>At December 31, 2017</b>	<b><u>137,339</u></b>
<b><u>Net Book Value</u></b>	
<b>At December 31, 2017</b>	<b><u>152,819</u></b>

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

**5. TRADE AND OTHER RECEIVABLES**

	<b>December 31, 2017</b>	<b>December 31, 2016</b>
	<b>SCR</b>	<b>SCR</b>
Trade Receivables	3,215,728	2,617,666
Prepayments and deposits	12,000	241,000
Staff loans (notes (b) &(c))	<u>105,847</u>	<u>237,645</u>
	<u>3,333,575</u>	<u>3,096,311</u>
Provision for credit impairment	-	(28,520)
	<u>3,333,575</u>	<u>3,067,791</u>

*Analysed as follows:*

	<b>2017</b>	<b>2016</b>
	<b>SCR</b>	<b>SCR</b>
Within one year	3,333,575	3,037,618
After more than one year	-	30,173
	<u>3,333,575</u>	<u>3,067,791</u>

(a) The carrying amount of trade and other receivables approximate their fair values.

(b) The staff loan balance relate to a staff car loan expected to be repaid in the subsequent financial period and general purpose loan issued by the Agency which are receivable in instalments over the loan agreement. The non-current portion of the staff car loan is classified as non-current assets. Car loans have a maturity of 5 years and general purpose loans have a maturity of 1 year. The balances are neither past due or impaired. With respect to the car loans the vehicles are pledged to the Agency and a lien clause to insurance policy, wherein the event of any claims, proceeds will be paid directly to the Agency. The Agency does not hold any collateral as security in respect of the general purpose loan receivables.

(c) The company earns interest on the staff loans, which are classified as finance income on the face of the statement of comprehensive income.

Staff loans and are analysed as follows:

	<b>December 31, 2017</b>	<b>December 31, 2016</b>
	<b>SCR</b>	<b>SCR</b>
Within one year	105,847	207,472
After more than one year	-	30,173
	<u>105,847</u>	<u>237,645</u>

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

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**6. CASH AND CASH EQUIVALENTS**

	<b>December 31, 2017</b>	<b>December 31, 2016</b>
	<b>SCR</b>	<b>SCR</b>
Bank balance	6,210,929	6,191,195
Cash in Hand	2,051	120,283
	<b><u>6,212,980</u></b>	<b><u>6,311,478</u></b>

**7. BORROWING**

	<b>December 31, 2017</b>	<b>December 31, 2016</b>
	<b>SCR</b>	<b>SCR</b>
<b>Borrowing</b>	<b><u>16,247,594</u></b>	<b><u>18,252,712</u></b>
<i>Analysed as follows:</i>		
Non-current bank borrowings	13,827,560	16,428,195
Current bank borrowings	2,420,034	1,824,517
	<b><u>16,247,594</u></b>	<b><u>18,252,712</u></b>

Borrowing is represented by a term loan with a credit facility entered into with Nouvobanq on 5 December 2013 amounting to R20m, bearing a floating interest rate equivalent to 11% as at 31 December 2016. The loan is guaranteed by the Government of Seychelles. The loan is repayable in 96 monthly instalments, commencing on the thirteenth month from drawdown. During the moratorium period of 12 months, accrued interest was separately serviced by the Agency. In August 2017, with the decrease in Inter-bank interest rate the interest was reduced to 8.5%.

**8. PROVISION FOR EMPLOYEE BENEFIT**

The provision consists of payment of employee compensation and gratuity. Non contract employees are paid gratuity every 5 years and compensation at the end of employment as per the instructions in the Public Service Order and Employment Act, respectively. For employees on a fixed term contract gratuity is paid every two years at the end of their contract.

**9. DEFERRED INCOME**

Deferred income arises when payments are received in advance of performance or service obligations over the service period. Deferred income relates primarily to the sale of Nation by subscription.

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

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**10. TAXATION**

**10.1 Income Statement**

	<b>2017</b>	<b>2016</b>
	SCR	SCR
Refund from SRC	-	104,872
Current tax	(414,223)	(502,062)
Deferred tax liability	<u>(573,977)</u>	<u>(592,639)</u>
	<b><u>(988,200)</u></b>	<b><u>(989,829)</u></b>

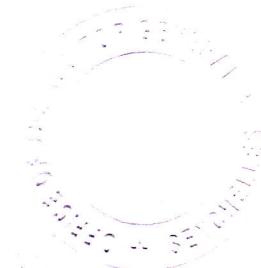
**10.2 Balance Sheet**

	<b>2017</b>	<b>2016</b>
	SCR	SCR
At January 01	(502,062)	-
Paid during the year	499,581	-
Current tax due	<u>(414,223)</u>	<u>(502,062)</u>
Balance at December 31	<b><u>(416,704)</u></b>	<b><u>(502,062)</u></b>

	<b>2017</b>	<b>2016</b>
	SCR	SCR
At January 01	(592,639)	-
Deferred Tax	<u>(573,977)</u>	<u>(592,639)</u>
Balance at December 31	<b><u>(1,166,616)</u></b>	<b><u>(592,639)</u></b>

**11. REVENUE**

	<b>2017</b>	<b>2016</b>
	SCR	SCR
Nation sales	6,991,397	6,481,662
Advert sales	18,284,202	17,365,912
Commercial printing	1,257,453	4,079,464
Other revenue	<u>198,925</u>	<u>65,665</u>
	<b><u>26,731,977</u></b>	<b><u>27,992,703</u></b>



NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

**12. OPERATING COSTS**

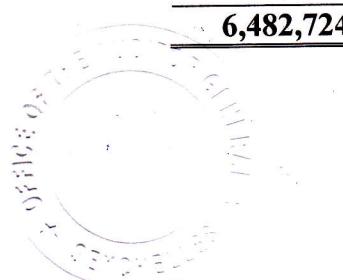
	<b>2017</b>	<b>2016</b>
	SCR	SCR
Printing services	115,600	77,900
Cost of materials	3,273,382	3,704,725
Staff costs (Note 12.1)	10,328,930	10,073,352
Depreciation of property, plant and equipment	1,418,372	1,292,528
Amortisation of intangible assets	74,326	18,904
Other expense (Note 12.2)	6,482,724	6,919,824
	<b><u>21,693,334</u></b>	<b><u>22,087,233</u></b>

**12.1 Staff Cost**

	<b>2017</b>	<b>2016</b>
	SCR	SCR
Personal emoluments	7,628,923	7,163,549
Bonus and 13 <sup>th</sup> month salary	830,976	488,849
Pension Fund	135,110	134,203
Compensation and gratuity	466,811	664,456
Collating and binding	957,253	1,088,711
Other employee costs	309,857	533,584
	<b><u>10,328,930</u></b>	<b><u>10,073,352</u></b>

**12.2 Other expense**

	<b>2017</b>	<b>2016</b>
	SCR	SCR
Publishing	185,797	63,546
Distribution expenses	893,161	1,029,361
Director's remuneration	130,000	143,529
Consumable expenses	556,954	592,378
Insurance expenses	135,157	95,068
Internet connection	168,410	247,325
IT cost	163,358	141,375
Rent expenses	883,348	1,038,848
Utilities	665,803	675,543
Security expenses	422,308	420,376
Advertisement and donations	-	30,601
Telephone	480,288	434,840
Other expenses	472,911	371,546
Repairs and maintenance	761,727	724,474
Transportation cost	523,502	831,014
<b>Fees to auditors:</b>		
Audit fees	40,000	40,000
Professional fees	-	40,000
	<b><u>6,482,724</u></b>	<b><u>6,919,824</u></b>



# NATIONAL INFORMATION SERVICES AGENCY

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

### 13. OPERATING LEASE

The annual rental expense consists of SCR 763,848 in lieu of rent of a plot of land and building at Bois De Rose Avenue for a period of 30 years. The lease agreement was entered into on August 01, 2014 with Sunpress Printing Limited. Sunpress Printing Limited is a company owned by Parti Lepep, represented by the CEO Mr. Olsen Vidot. The lease is payable in monthly instalments of SCR 63,654.

	SCR
Lease due in the next year	763,848
Lease due years 2 through 5 combined	3,055,392
Lease due beyond 5 years	16,486,386

### 14. FINANCE INCOME AND COST

#### 14.1 Finance Income

	2017	2016
	SCR	SCR
Interest on staff loans	8,216	14,542
Interest on bank account	149,387	131,935
	<u>157,603</u>	<u>146,477</u>

#### 14.2 Finance Cost

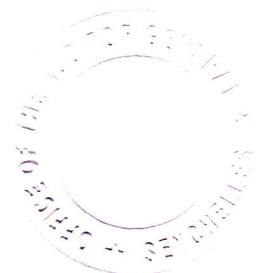
	2017	2016
	SCR	SCR
Interest on borrowings	1,735,574	2,110,534
	<u>1,735,574</u>	<u>2,110,534</u>

### 15. CAPITAL COMMITMENTS

There were no capital commitments as at December 31, 2017

### 16. CONTINGENT LIABILITIES

There were no contingent liabilities as at December 31, 2017.



NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

**17. RELATED PARTY TRANSACTIONS**

a. Transactions with CEO

	<b>2017</b>	<b>2016</b>
	SCR	SCR
Annual salary (Retired end August 2017)	428,624	581,232
End of contract payment	-	193,331
	<b>428,624</b>	<b>774,563</b>

b. Directors emoluments

	<b>2017</b>	<b>2016</b>
	SCR	SCR
Mr. Rene Morel	38,824	42,353
Deacon Louis Agathine	32,353	35,295
Mrs. Barbara Kilindo	25,882	28,235
Ms. Brenda Bastienne	21,176	9,412
Ms. Nadine Jack	11,765	28,235
	<b>130,000</b>	<b>143,529</b>

c. Operating lease with Sunpress Printing Limited

	<b>2017</b>	<b>2016</b>
	SCR	SCR
Annual rental	<b>763,848</b>	<b>763,848</b>
	<b>763,848</b>	<b>763,848</b>

